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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced today the indictment of Robert Smoot, age 53, of Gloucester, Virginia; his business, Bob's Electric, Inc.; and Glenn Osvold, age 33, of Yorktown, Virginia. The 13-count indictment, returned by a Newport News federal grand jury, charges Smoot, who is employed by NASA at its Langley Research Center, and his company, Bob's Electric, with conspiracy to commit mail and wire fraud; mail fraud; wire fraud; engaging in monetary transactions in property derived from specified unlawful activity and conflict of interest. Osvold, who is employed by Bobs' Electric, is charged with three counts of perjury.

The indictment alleges that Smoot and other conspirators devised a scheme to deprive the United States of its intangible right to Smoot's honest services as a United States government employee, and to obtain money from NASA and a government contractor by making materially false and fraudulent representations. Government regulations prohibit Smoot from engaging in outside employment with NASA contractors, subcontractors or grantees in connection with work performed by such entities for NASA. According to the indictment, while Smoot was approving work done by subcontractor Wright Electric for a prime contractor on a NASA contract at Langley Research Center, his company, Bob's Electric, Inc., entered into a hidden agreement with Wright Electric to work for them on a separate contract at Langley between Wright and another NASA prime contractor. Such an arrangement, hidden from NASA officials, represented a conflict of interest for Smoot.

The indictment describes how Smoot directed his foreman, Glenn Osvold, to approach the owner of Wright Electric and obtain the subcontract for Bob's Electric in the name of Wright Electric. According to the indictment, Osvold arranged for Wright Electric to be included as a company that could bid on the work. Osvold then used Wright Electric letterhead to prepare a written bid proposal for the job which was submitted to the government prime contractor. As a result, Bob's Electric received approximately \$40,000 for the installation of telecommunications cable at a NASA building. While the cable was being installed, Smoot, acting in his official capacity, reviewed and approved the contract at NASA for work being done by Wright Electric.

The indictment also alleges that Osvold committed perjury by misleading and providing false testimony to the federal grand investigating this matter.

This case was investigated by the FBI and NASA's Office of the Inspector General. Assistant United States Attorneys Howard J. Zlotnick is prosecuting the case for the United States.

(It should be noted that defendants are considered innocent until proven guilty.)